

**Health Commissioner Mary E. O'Dowd**  
**Senate Budget Committee**  
**April 17, 2013**

Good Morning Chairman Sarlo, Vice Chairman Stack, Senator Bucco and members of the Senate Budget Committee.

Thank you for the opportunity to appear before you today to discuss the Department of Health's budget for State Fiscal Year 2014. If I may, I would like to introduce my team.

Joining me are:

Cathleen Bennett, Director of Policy and Strategic Planning;  
Bill Conroy, Deputy Commissioner for Health Systems  
Eric Anderson, Director of the Division of Management and Administration; and  
Dr. Arturo Brito, Deputy Commissioner for Public Health Services;

The proposed budget for the Department is nearly \$1.9 billion, including over \$350 million in state funds. This budget reflects the Department's priorities to strengthen the health care safety net, protect our most vulnerable, build healthier communities and work smarter.

Health Care Safety Net

A key part of the Department's mission is protecting the health care safety net. More than \$1 billion is dedicated to New Jersey's hospitals and Federally Qualified Health Centers. While honoring our commitment to the goals of accountability, equity, transparency and predictability, we've also maintained charity care funding at \$675 million.

In recognition of the essential role New Jersey's teaching hospitals play in developing our health care workforce, this budget increases funding for Graduate Medical Education by \$10 million for a total of \$100 million. This is a \$40 million increase since the beginning of this administration.

In addition, a new initiative to provide funding to hospitals is included in this budget. The Hospital Relief Subsidy Fund is being replaced with the Delivery System Reform Incentive Payment program, which is funded at \$166 million. This program is the first of its kind in New Jersey and will reward hospitals with funding to improve quality of care.

We also continue to provide FQHCs with a record \$50 million to support care to the uninsured. These clinics offer a comprehensive array of services and many are working toward national accreditation as medical homes. In fact, five have attained that national status in the past year.

Protecting the Most Vulnerable

Protecting our most vulnerable New Jerseyans continues to be a priority for this Administration.

A new investment of \$1.6 million is proposed for Newborn Screening. This \$25 million program tests every infant born in New Jersey and provides follow-up education and treatment.

Our budget will allow us to increase testing from 54 to 60 metabolic disorders. As a result of Emma's Law, signed by Governor Christie, new testing will add 5 lysosomal storage disorders which impair the body's ability to break down certain substances like proteins. Testing will also begin for Severe Combined Immune Deficiency, which prevents newborns from fighting infections and can be fatal.

These newborn disorders may not be apparent at birth and if left undetected can lead to developmental delays, disability or even death.

In addition, the budget dedicates \$134 million for the Department's Early Intervention System which identifies, diagnoses and treats children from birth to age 3 with delays, developmental disabilities and autism.

Another important screening initiative is the NJ Cancer Education and Early Detection Program. NJCEED is funded at \$12 million for cancer outreach, education, screening, tracking and follow-up services for the uninsured. This program has met or exceeded CDC performance measures for the past two years.

#### Building Healthier Communities

One of the Department's key focus areas is promoting healthy communities.

The Department's Chronic Disease Program is in the midst of a consolidation to maximize resources in order to address priority areas such as controlling diabetes, high blood pressure, obesity and tobacco use. Addressing the burden of chronic diseases will improve the health of New Jersey residents and reduce health care expenditures.

As part of Minority Health Month, the Department recently announced over \$100,000 in grants to reduce obesity in minority communities. This funding was awarded to four faith-based organizations to provide education focused on eating a healthy diet and increasing physical activity.

#### Providing Tools

In an effort to work smarter, the Department is providing tools to healthcare consumers and professionals to improve the delivery of end-of-life care. In February, our agency along with the New Jersey Hospital Association, released the Practitioner Orders for Life-Sustaining Treatment—or POLST form. This form empowers individuals to work with their physician or advance practice nurse to document preferences for medical care at the end of life.

#### Creative Partnerships

In our continuing effort to work smarter through creative partnerships and leveraging resources, we have focused on increasing organ, tissue and blood donations in New Jersey.

Governor Christie signed a proclamation designating April as Donate Life Month to help create greater public awareness about the life-saving importance of organ donation.

The Department is working closely with advocates and the Motor Vehicle Commission to increase the number of registered organ donors. And the numbers are rising. We have seen a 13 percent increase statewide and in some areas like Newark, we have seen increases of more than 30 percent.

Through a partnership with some of the state's leading corporations, the Workplace Blood Donor Coalition is reducing the state's chronic blood shortage. Hospitals need blood every day for trauma cases, elective surgeries and routine care.

Last summer, we launched a campaign to increase donations. In the four months from May through August—when we typically see donations drop--New Jersey's eight blood centers held an additional 450 blood drives resulting in an 11 percent increase in units of blood collected.

New Jersey's generosity was again evident as we responded to and rebuilt from Sandy.

I'd like to give you an update on our Sandy-related initiatives.

### Superstorm Sandy

The Department is working closely with our health care and public health partners to get back to normal. And we've made great progress. The storm caused two hospitals and 11 long-term care facilities to evacuate, FQHCs to remain closed for days and some local registrars' offices to relocate, which impacted care and services to residents across the state.

In order to learn from our experiences and improve for the future, I convened a series of roundtables in Ocean, Monmouth, Hudson and Bergen counties over the past several months. Hospitals and other health care facilities, EMS, Offices of Emergency Management, county health departments and others participated.

The goal of these sessions was to highlight best practices and ensure that we are better prepared for the future.

Many of you are aware of the heroic stories of our first responders during the storm. This budget supports the continued service and dedication of our EMTs by providing a 35 percent increase in reimbursement for training while maintaining our commitment to continuing education.

### Recovery

The Department has been working with stakeholders and public health partners on recovery efforts. Our key focus areas are: access to services, environmental health, returning to normal operations, education and increasing community resiliency.

To date, we have created and distributed a Health Resource Directory to help displaced families find county-specific services.

We have launched a public awareness campaign on protecting your health while rebuilding which includes Public Service Announcements on mold, a pamphlet on remediation and free training classes for homeowners, volunteers, public health and building code officials.

I encourage you to visit the Department's Sandy Recovery website and share these resources with your constituents.

Closing

In closing, thank you again for this opportunity to discuss the Department's budget and highlight ongoing initiatives to protect and improve the health of our residents. I look forward to working with you and I would be happy to answer your questions.